

THIS AMENDMENT:	
_____ Passed _____	Passed as amended by _____
_____ Failed _____	_____ Not Offered _____



0000018572

RECEIVED Withdrawn

6006

GLEASON PROPOSED AMENDMENT #1

2005 MAR 29 P 2: 26

DATE PREPARED: March 29, 2005 AZ CORP COMMISSION
DOCUMENT CONTROL

COMPANY: Qwest Corporation

DOCKET NO. T-01051B-03-0454, et al.
T-000000D-00-0672

Arizona Corporation Commission

SPECIAL OPEN MEETING DATE: March 30, 2005 AGENDA ITEM: U-1

DOCKETED

MAR 29 2005

DOCKETED BY

[Signature]

Page 5, DELETE lines 15 through 28, Page 6, DELETE lines 1 through 13.

Page 5, INSERT the following at line 15:

We agree with RUCO that based on the terms of the current Price Cap Plan, and our holdings in Decision Nos. 66772 and 67047 that unless we approve a new Plan or terminate the current Plan, Qwest is required under the Continuation Clause of the Plan to make the April 1, 2005 productivity adjustment. However, the Commission certainly has the discretion to suspend the April 1, 2005 reduction, to accommodate comprehensive settlement discussions in this case. We do not believe that a mere suspension of the April 1, 2005 reduction would violate Scates¹, or the principle that the Commission can not modify rates absent a fair value finding. We are not terminating the April 1, 2005 adjustment. The liability associated with the April 1, 2005 adjustment will continue to accrue. We will address the accrued liability for the April 1, 2005 adjustment in the final rate order in this Docket.

We also do not believe that suspension of the April 1, 2005, reduction is by itself retroactive ratemaking. The Commission by suspending the adjustment is not declaring its earlier finding or order to be unreasonable and is not instituting any new rates with retroactive impact.

We can also see that adjusting rates for basic services downward now, and then adjusting them again in the opposite direction in the near future as a result of final rates being set in the Renewed Plan, could cause consumer confusion. Therefore, we believe that a suspension of the adjustment is appropriate.

¹ *Scates v. Arizona Corporation Commission*, 118 Ariz. 531, 578 P.2d 612 (App. 1978).

It is in the public interest to grant Qwest's Motion to suspend the April 1, 2005 productivity adjustment to the extent discussed herein and for the reasons set forth herein.

Page 9, DELETE Conclusion of Law 6.

Page 9, MODIFY the first Ordering Paragraph as follows:

IT IS THEREFORE ORDERED that Qwest Corporation's Emergency Motion to Suspend the Productivity Adjustment to Basket 1 required on April 1, 2005, is granted to the extent discussed herein and for the reasons set forth herein.

Page 9, DELETE the second Ordering Paragraph.

Make all conforming changes.